

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Military Leave - Work Sheet Revision	REFERENCE NUMBER: 2007-040
DATE ISSUED: 12/13/07	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors**

FROM: Department of Personnel Administration
Classification and Compensation Division

CONTACT: Personnel Services Branch
(916) 323-3343
Fax: (916) 327-1886
Email: psb@dpa.ca.gov

Effective January 1, 2008 military leave payments issued by the State Controller's Office (SCO) will no longer be subject to Federal, State, Social Security, Medicare, and State Disability Insurance (SDI) taxes and will not be reported on the Form W-2, Wage and Tax Statement.

Attached is a revised [Military Leave Work Sheet](#) reflecting the January 1, 2008 withholding changes.

Note: The new Military Leave Work Sheet is only to be used for payments that will be issued on or after January 1, 2008. Employees should be aware military leave payments are considered income and are reported to the IRS. As such, employees are liable for this income and may be required to pay taxes on these payments when filing their tax returns.

Who needs to complete the revised Military Leave Work Sheet?

- Employees newly eligible to receive military leave pay.
- Employees deployed on a new military tour.
- Employees who wish to change their current Military Leave Work sheet information.

Does an employee who is currently on a military leave need to submit a new work sheet?

- No, the State Controller's Office will automatically compute the new adjusted net salary.

Payroll processing questions regarding military leave should be addressed to Dana Lyles with SCO at (916) 323-3081. For interpretation questions related to military leave, your designated headquarters personnel office staff should contact DPA's Personnel Services Branch.

PML 2007-040
12/13/07
Page 2

If the above link does not work you may access the information on DPA's website at www.dpa.ca.gov.

Human resources staff with questions regarding this update is directed to the DPA Personnel Services Branch at the contact information above. The revised [Military Leave Work Sheet](#) is attached.

/s/ Debbie Endsley

Debbie Endsley
Chief Deputy Director

Attachment